decided to keep it at 51 per cent. My supplementary is this. The World Bank Development Report says that the public sector banks are performing well in India. They are contributing to the country's development, and I am happy that the Finance Minister has acknowledged this fact. The Indian Bank, the United Bank of India, are all public sector banks. Once they were considered to be very weak. Now they have turned out to be very successful and they are doing well. Now, in this situation, the public sector banks are managing more than 20 lakh crores of capital. I want to ask of the hon. Minister: Is there any thinking with the Government to raise the Government equity in public sector banks up to 74 per cent?

SHRI P. CHIDAMBARAM: No, Sir. That would require a very large amount of funds. There are numerous claims on the Budget, like social sector, infrastructure, defence, etc. At the moment, there is no proposal to raise the proportion of Government equity in banks. But, as I said, there is also no proposal to lower it below 51 per cent.

DR. K. MALAISAMY: Sir, in the wake of macro policies like globalisation, liberalisation, privatisation, etc. I would like to ask of the well-informed hon. Minister as to: What is the Government's policy in the matter of disinvestments of public sector undertakings? How much was aimed at and how much was achieved? Were there any pulls and counter-pulls in the process of their disinvestments? If so, what is the way out of this?

SHRI P. CHIDAMBARAM: Sir, adapting the supplementary to the scope of the question before us, there is no proposal to disinvest Government equity below 51 per cent.

Disparity in per Capita Income

*162. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) what is the per capita income per month in the rural and urban India;

(b) whether it is a fact that there is wide gap in the capita income between the urban and rural India;

(c) if so, the details thereof and the reasons therefor; and

(d) what measures are being taken to remove this disparity?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (c) The available statistics on National Income, as estimated by Central Statistical Organisation, provide information in respect of per capita Net Domestic product separately for rural and urban areas at current prices for the base years of National Accounts Statistics. Therefore, estimates of per capita income (Net Domestic Product) separately for rural and urban areas available for the years 1970-71, 1980-81, 1993-94 and 1999-2000. Those are as follows:

Per capita income per Annum (Rs.)

Years	Rural	Urban	Ratio of Urban to Rural Per Capita Income
1970-71	529	1294	2.45
1980-81	1245	2888	2.32
1993-94	5783	13525	2.34
1999-2000	10606	30217	2.85

The ratio between urban and rural per capita income was 2.45 in 1970-71, 2.32 in 1980-81, 2.34 in 1993-94 and 2.85 in 1999-2000

(d) The Approach Paper to the Eleventh Plan has endorsed a vision of delivering faster and more inclusive growth. To this end, it has set a target of 9 percent per annum GDP growth for the country as a whole to be achieved in a manner that would ensure greater inclusiveness of the growth process. The Approach Paper has also set monitorable targets in the areas of income and poverty, education, health, women and children issues, infrastructure and environment, reflecting the inclusiveness of this growth. The Approach Paper also mentions about reducing the disparities across regions by ensuring access to basic physical infrastructure as well as health and education services to all. The copies of the Approach Paper have been placed in the Parliament library.

The Central Government has adopted a multi pronged strategy to reduce the divide between urban and rural India. Bharat Nirman, a time bound business plan for addressing the gap in rural infrastructure covering irrigation, road connectivity, water supply, rural electrification, housing and rural telecom connectivity. The Sampoorna Grameen Rozgar Yojana implemented by Panchayati Raj Institutions seeks to create durable community assets in rural areas. The National Rural Employment Guarantee Programme attempts to ensure a social safety net as it provides guaranteed employment in rural areas. It can also become instrumental in building rural infrastructure. The National Rural Health Mission and Sarva Shiksha Abhiyan are programmes for delivering primary health services and elementary education respectively.

SHRI JANARDHANA POOJARY: Sir, Sengupta Committee Report has been submitted to the Prime Minister. According to that Report, 21.8 per cent of the people are living below the poverty line. They are the poorest of the poort. Their income, according to the Sengupta Report below Rs. 20. Now the hon. Minister for Planning, Shri M. V. Rajasekharan, who is sitting here beside me, in his reply to Unstarred Question No. 534 mentioned the consumption expenditure of people below and above the poverty line in 2004-05. He stated, in his reply, that the rural BPL income per month was Rs. 286.13, that is, about Rs. 9.50 per day and the rural APL income was Rs. 660.67 per month, that is, about Rs. 20 per day. Now, the question before the nation is whether the Government has taken cognizance of this fact, particularly the report of the Sengupta Committee which had been constituted by you. I am saying this because you are for the poor people and your heart is bleeding for the poor people. But here is a case wherein they get just Rs. 9.50 per day for their consumption. How can they live? Only saying that we are monitoring it and we are giving something to them, will not be sufficient.

MR. CHAIRMAN: Question please.

SHRI JANARDHANA POOJARY: What concrete steps have been taken by the government after the submission of this Report?

SHRI P. CHIDAMBARAM: Sir, the consumption estimates have been made for rural and urban India by the National Sample Survey Organisation and the Sengupta Report also draws heavily on the NSSO Survey. According to this Survey, the monthly per capita consumption expenditure at current prices in 2004-05 for rural India was Rs. 558 and for urban India, it was Rs. 1052. Obviously, at this level of consumption, it is reasonable conclusion that a large number of people are poor. In fact, the poverty estimates made indicate that the poverty proportion in 2004-05 was 28 per cent. The Planning commission estimates that this proportion would have come down in the last three years.

Now, the anser to this is to follow theeconomic policies that promote a more inclusive growth. Growth is an imperative. Inclusive growth is what we should aim at. It is for that purpose that we have announced a number of flagship programmes and we have also announced

a very large and ambitious programme for rural India under the name of Bharat Nirman. The National rural Employment Guarantee Programme, the National rural Health Mission, thevast expansion of the ICDS, the Debt and Disability Insurance under the Aam Adami Bima Yojana introduced recently, and the Rashtriya Swasthaya Bima Yojana that has been offered to the State Governments, are programme which will fill critical gaps which contribute to poverty. Besides, there are clear targets set for Bharat Nirman—every village to have electricity, every habitation to have all—weather road, every habitation to have safe drinking water, every village to be connected by telephone and to build 60 lakh houses for the rural poor. The completion of Bharat Nirman will also bring a large number of services to the poor. So, while these measures will address non-income aspects of poverty, the way to address poverty is to raise the incomes of those who are poor today. Since many of them are engaged in agriculture, the goal is to raise the agricultural growth to, at least, four per cent a year so that they have a larger agricultural income. I think, a multi-pronged attack looking at increasing incomes, filling critical gaps and addressing non-income aspect of poverty, altogether, will bring down poverty in the medium-term.

SHRI JANARDHANA POOJARY: Sir, the Deputy Chairman, Planning Commission, has stated that about 58 per cent of the subsidized foodgrains issued from the Central pool do not reach the weaker sections. Further, he has stated out of one rupee from the Budgetary allocations of subsidy to poorer sections, what is the amount that is reaching them; only 27 paisa is reaching.

Sir, if you kindly take into consideration the income of 36 big industrialists in the country, that comes to Rs. 8,66,000 crores. That is reported in the newspapers. The C ral revenue receipts is to the tune of Rs. 4,33,231 crores. The entire income of the national is in the hands of a few people. We have to give a thrust to the rural people and particularly, for the poorer people. Small-scale industries are there, there is agricultural sector. So far as the banking sector is concerned, we are giving only 40 per cent of the disbursal to this sector as a priority sector. I would like to know whether the Government, in order give financial strength to the agricultural sector and the small-scale sector as also the landless labourers, proposes to increase the percentage of disbursal from 40 to 50.

SHRI P. CHIDAMBARAM: Sir, as I said, there are a large number of claims from different sectors upon Budgetary resources as well as resources from the banking system. No policy is cast in stone. All these policies are adjusted and fine-turned based upon experience. Today, the policy is that 40 per cent of all bank lending should go to the priority sector. Within the priority sector, we have, I believe and I say this most humbly, increased the lending to agricultural sector from Rs. 86,000 crores in 2003-04 to Rs. 2,25,000 crores, perhaps more, in the current year. Likewise, to the small and medium enterprises, we have said we will double it in five years, increase it by 20 per cent every year. We have increased it by over 20 per cent in the first year; the current year is the second year. We will increase it by over 20 per cent in the second year too.

I acknowledge the thrust and passion behind the question of the hon. Member. For each sector, policies have been devised. Policies are implemented by respective Ministries or Departments working with the State Governments. It is possible that some policies are working well in some places and not working well in other places. He did mention the Public Distribution System. It is a sad fact that a significant portion of grain, I do not have the numbers off-hand, in the Public distribution System is indeed diverted. But that is a failure of governance. It is not a failure of policy. It is the failure of the governance of the State Governments and the concerned agencies. Where it is delivered is again a function of governance. Good governance means that the grains are delivered through the Public Distribution System. While the governance is a major problem in delivery of goods and services to the poor, I think, policies are fine-tuned from time to time. If hon. Members have suggestions, to modify current policies, I am sure, everyone in the government is open to those suggestions and we will fine-tune the policies as we go along.

SHRIMATI BRINDA KARAT: Sir, I heard with great attention the reply that the Minister has given and I deeply regret that there was not even an element of concern at the fact that there is huge disparity in this country. I believe it is a national shame that in an economy, which boasts of 9 per cent growth rate, you have this type of disparity, which is shown by your figures. In his reply to the hon. Member, the Minister, in fact, said that according to the Planning Commission poverty estimates are coming down. The Arjun Sen Gupta Report has said that 78 per cent of our people in the rural areas are earning less than Rs. 20 per day, which is a destitution line....*(Interruptions)*...It is a destitution line and not a poverty line. It is very clear that the policies that we are following today are exclusive policies for the elite sections of our societies, which exclude the poor. What is a of deep concern is that the Minister said that 'please let the Member give suggestions to modify our policies'. Sir, We, for the last three years of this UPA Government, have been pressing upon the Minister not to cut subsidies because poor are increasing, disparities are increasing. But instead of that the Government has come out with a policy, which is further cutting subsidy including the food subsidy.

MR. CHAIRMAN: Question please.

SHRIMATI BRINDA KARAT: Therefore, Sir, my question is: will the Minister consider a reversal of the policies of targeting in a situation where such a large section of people is poor who require subsidies, who require access to the basic human rights of health, education and food? So, instead of targeting, will you think of universalizing the system of human rights as far as these aspects are concerned and stop this efforts to cut subsidy?

SHRI P. CHIDAMBARAM: Sir, we are not reducing subsidy.

SHRIMATI BRINDA KARAT: Sir, that is not true. The food subsidy is being reduced.

MR. CHAIRMAN: Let the hon. Minister finish...*(Interruptions)*...

SHRI P. CHIDAMBARAM: We are not reducing subsidy. I have here from the Expenditure Budget-2007, Volume-I the number for major subsidies. Major subsidies in 2003-04 food, fertilizer, petroleum, grants to NAFED was Rs. 43535 crore, revised-2006-07 was Rs. 49701 crore and the Budget for 2007-08 projects it as Rs. 51237 crores ...*(Interruptions)*...

SHRIMATI BRINDA KARAT: Sir, please...*(Interruptions)*...We have the figures, Sir...*(Interruptions)*...I have got the figures here, Sir.

MR. CHAIRMAN: Do not interrupt the Minister...*(Interruptions)*...let the answer be completed...*(Interruptions)*...Please do not interrupt...*(Interruptions)*...

SHRIMATI BRINDA KARAT: And also there is issue of targeting? ...*(Interruptions)*...where is it going? ...*(Interruptions)*...APL is what? ...*(Interruptions)*...The most poor are considered APL in this country...*(Interruptions)*...

SHRI P. CHIDAMBARAM: It is not correct to say that we have cut or reduced food subsidies or subsidies for fertilizers. In fact, the Second Supplementary proposes a very large increase for fertilizer subsidy because fertilizer prices have gone up, the prices of raw materials have gone up. Therefore, we are in the Second Supplementary, which will come before this House day after tomorrow, there is a very sharp rise in the fertilizer subsidy. Sir, as far as changing policies is concerned, yes, there is, of course, a sharp difference of opinion about what economic policy should be followed. I respect the policies of each party. But as far as the UPA Government is concerned, our policies are spelt out in the NOMP. We are indeed following a policy based on economic reforms initiated in 1991 and over the last 15 years,

these policies have been fine-tuned to ensure that there is growth as well as more inclusive growth. In fact, when the new Plan document, will come up before the NDC, the Chief Minister, can place their views for faster and more inclusive growth.

Now we believe that the policies that we adopted are promoting faster growth. We are also conscious that faster growth is not enough. It must be more inclusive. That is why a whole range of programmes from NREGP to expanding ICDS, to which I referred earlier, have been initiated or expanded by the UPA Government. We believe that our policies are right and we believe that with better governance, these policies will deliver better results.

SHRIMATI BRINDA KARAT: Sir, I asked a specific question about universalisation.

MR. CHAIRMAN: Please do not interrupt.

SHRIMATI BRINDA KARAT: Sir, I asked a specific question about universalisation of these services because clearly when there is such a large section of the poor targeting is exclusing big sections. Please answer that.

SHRI P. CHIDAMBARAM: Sir, on univeralisation of services, we have to specify what services we have in mind. Universalisation of PDS is something that should be addressed to the Minister for Food and Consumer Affairs. As far as drinking water is concerned, drinking water programme, which is now a part of Bharat Nirman, in intended to be universal. As far as Rural Roads Programme is concerned, Pradhan Mantri Gram Sadak Yojana is indeed universal.

SHRIMATI BRINDA KARAT: I have mentioned...

MR. CHAIRMAN: Please do not interrupt.

SHRIMATI BRINDA KARAT: Let him answer about food, health and education. Let him answer that.

SHRI P. CHIDAMBARAM: Education, Sarva Shiksha Abhiyan is universal. National Rural Health Mission is universal. We are targeting all parts of India and all sections of people.

SHRIMATI BRINDA KARAT: No, it is not. Sir, we have to have BPL card to get free medicines now.

MS. MABEL REBELLO: Sir, taking cue from what my colleague has said, Sir, 0.1 per cent of Indians who are owning corporate sector, their wealth in the last five years had gone up from six per cent to 21 per cent of national income and national income of villages, rural poor, farmers has decreased from 21 per cent to 17 per cent. That shows that the disparity between the urban elite and rural poor is increasing and it had not happened during the last 55 years. It is happening during the last five to six years and the figures that are given to us are only up to the year 2000. I would like to know from the hon. Minister what is he doing to bring the rural poor above poverty line. There were districts in India in Jharkhand like Gumla, Simdega where 85 per cent of the people are below poverty line. I would like to know from the hon. Minister what is he doing for these people to come above poverty line and to decrease this disparity.

SHRI P. CHIDAMBARAM: Sir, I thought I answered the question but I will be very happy to answer it again. Sir, poverty is both income poverty and poverty measured by other non-income parameters like literacy, access to health care, housing, drinking water, roads, conectivity.

SHRI SHAHID SIDDIQUI: It is routine answer.

SHRI P. CHIDAMBARAM: I can only give the answer.

MS. MABEL REBELLO: You help poor people to increase their wealth.

SHRI P. CHIDAMBARAM: Sir, as far income poverty is concerned, the answer is to raise peoples' income. The agricultural sector is growing at about 3.2 to 3.3 per cent in the last three years. The goal is to raise it to four per cent.

MS. MABEL REBELLO: Sir, that is in some areas where there is irrigation.

MR. CHAIRMAN: Please do not interrupt.

MS. MABEL REBELLO: In tribal areas, where there is no irrigation, the people's agricultural income is not increasing.

MR. CHAIRMAN: Please....*(Interruptions)*....Shri Uday Pratap Singh.

MS. MABEL REBELLO: Sir, he has not replied. No, no, where is the reply, Sir?

MR. CHAIRMAN: Please *(Interruptions)*

SHRI P. CHIDAMBARAM: Sir, may I complete the reply to her? I was replying and she then wanted to say something and so I sat down. As far as the agriculture income poverty is concerned, if large proportions of rural people are engaged in agriculture and their income is solely dependent on agriculture, unless the agriculture sector grows at a reasonable rate of four per cent, their incomes will not rise. That is why the policies have been devised. The Minister of Agriculture has placed the policy how to raise growth rate of the agriculture sector to 4 per cent. Therefore, if the agriculture income rises the income poverty of the sector that is dependant on agriculture will be mitigated. But, as I said, poverty is not only income poverty, poverty is measured by other non-income parameters and that we are addressing through the Bharat Nirman, through the NREGS, through the NRHM, SSA, through the Mid-Day Meal Scheme, through the ICDS, etc. These are the programmes intended to target the non-income aspects of poverty. If these programmes are delivered properly, when the services are delivered effectively by good governance, it will make a difference to the poverty status of the poor.

श्री उदय प्रताप सिंह: सभापति जी, वातावरण बहुत गर्म है, मैं आपसे एक बात कहना चाहता हूं कि ये आंकड़ों का खेल जो है, वह मुझे नहीं आता है। मै। आपके माध्यम से एक बात कहना चाहता हूं कि सरकार जहां एक ओर यह दावा कर रही है कि हमारी प्रगति की दर भी बढ़ रही है, हमारा सुरक्षित पैसा भी बढ़ रहा है, बचत भी बढ़ रही है, लेकिन जैसा कि अभी पूरी बहस से पता चला है और आपने जो जवाब दिया है, उससे पता लगा है कि उत्तरोत्तर साल-दर-साल गांव और शहर का जो अनुपात है, उसका अंतर बढ़ता चला जा रहा है। मेरा सरकार से निवेदन है कि रोग का इलाज करने के लिए यह भी जानना चाहिए कि रोग क्यों है, सिर्फ दवा दे देने से काम नहीं चलता। मैं मंत्री जी से कहना चाहता हूं कि रोग का एक कारण यह भी है और जैसा अभी सभी लोगों ने कहा कि गांवों में शिक्षा, सुरक्षा, बिजली और जो आधारभूत सुविधाएं हैं, उनकी कमी के कारण यह हो रहा है कि जो हमारे गांवों के संपन्न लोग हैं, वे गांव छोड़-छोड़ कर शहरों की तरफ भाग रहे हैं और वे जो कुछ वहां लगा सकते थे, गांवों में रोजी-रोटी दे सकते थे, वे लोग भी शहर जा रहे हैं। आप जैसे-जैसे इलाज करते जाते हैं, वैसे-वैसे रोग बढ़ रहा है। मैं सरकार से पूछना चाहता हूं कि इस भगदड़ को, जो गांवों से शहरों की ओर हो रही है, इसको आप कैसे रोकेंगे? आपने कहा कि GDP में 9 प्रतिशत की वृद्धि हुई है, क्या सरकार इसमें से कुछ पैसा उधर की तरफ खर्च करने को तैयार होगी ताकि गांवों से शहरों की तरफ भागने की जो प्रवृत्ति है, पलायन है, उसको रोका जा सके?

SHRI P. CHIDAMBARAM: Sir, in any developing country, some migration will, indeed, takes place from villags to towns and cities. I know of no example of any country where the Government can stop migration of its people from rural parts to towns and cities.

SHRI UDAY PRATAP SINGH: Sir, this is a very academic answer.

श्री सभापति: सुन लीजिए आप....*(व्यवधान)* आप इनकी बात सुन लीजिए. ...*(व्यवधान)*

SHRI P. CHIDAMBARAM: I can only answer to the best of my ability...*(Interruptions)*....If you know the answer, why did you ask me then?..*(Interruptions)*....If you know the answer, you should not have asked this question. I am trying to give answer to the best of my knowledge...*(Interruptions)*...

श्री उदय प्रताप सिंह: मैं हिन्दुस्तान के बारे में पूछ रहा हूं, हिंदुस्तान का पलायन औरों से ज्यादा है, यहां का पलायन दूसरी तरह का है. ...*(व्यवधान)*

SHRI P. CHIDAMBARAM: You have asked your question. you must listen to my reply.

Therefore, Sir, some migration is unavoidable. In fact, in every country, there has been migration from rural parts of the country to the urban parts. The point is, if land bolding is small as it is and land holding gets fragmented, a number of people cannot earn an adequate income from the land and they will migrate to places where they can find jobs. Today, the agriculture sector represents about 18 per cent of the GDP and about 60 per cent of the working population is dependent on agriculture. That is why incomes are low. But in the other two sectors which are growing at a faster rate, and a smaller proportion of population is dependent on them, the income is high. Therefore, between the people who are engaged in agriculture on the one hand and people who are engaged in services and industry on the other, there is, indeed, a widening disparity in income. That is why the answer is to try to raise agriculture income. At the risk of repetition, let me say, we must ensure that the agriculture sector grows at 4 per cent and, as a result, income from agriculture also rises. In the meanwhile, if the industry and services do well, people who are depending on industry and services, people who earn their livelihood through industry and services will, indeed, get higher incomes and we cannot grudge those higher incomes. They are not rich people. Some rich people are there. But most of the working people in industry and services are people who are entitled to higher incomes. Sir, that is the reason for this divide. We are addressing it by accelerating growth. But that is not enough. We need to fill in the critical gaps in literacy, in education, in health care, in roads and electric connectivity, and in other services. I have narrated all the programmes, which have been launched by this Government, and which this Government has continued from the previous Governments, are intended to meet these critical gaps in rural India. For example, one such programme is the RIDF. We started the RIDF with a modest outlay of about Rs. 1,000 crores, I think, in the year 1994-95. Today, the RIDF has an outlay of Rs. 12,000 crores, with an additional window of Rs. 4,000 crores for rural roads. So, the funds to the tune of Rs. 16,000 from in the banking system are being given to the States for rural infrastructure. Where the money is well spent; where there is good governance; where the roads are laid; where the water supply is made available, it does bring benefit to the poor. But where the governance has collapsed; where there is poor governance; where there is no delivery, merely spending money is not going to help. The challenge, therefore, is not only to find the money, which we do, the challenge is to spend the money efficiently, which is the function of governance. And, I am sorry to say, in many parts of India, governance is in a poor state. *(Interruptions)*

163. *[The questioner Shrimati Maya Singh was absent. For answer *vide* page 20 infra]